

**WARREN COUNTY BOARD OF SUPERVISORS**

**COMMITTEE: OCCUPANCY TAX COORDINATION**

**DATE: APRIL 30, 2008**

---

---

**COMMITTEE MEMBERS PRESENT: OTHERS PRESENT:**

|             |           |  |
|-------------|-----------|--|
| SUPERVISORS | KENNY     | KATE JOHNSON, DIRECTOR OF TOURISM          |
|             | TESSIER   | LEISA GRANT, ACCOUNT CLERK                 |
|             | HASKELL   | REPRESENTING THE COUNTY TREASURER:         |
|             | CHAMPAGNE | FRANCIS O' KEEFE, COUNTY TREASURER         |
|             | SIMMES    | RICK MURPHY, DEPUTY COMMISSIONER OF FISCAL |
|             | GOODSPEED | SERVICES                                   |
|             |           | KRISTEN MALETTE, JUNIOR ACCOUNTANT         |

**COMMITTEE MEMBER ABSENT:**

|            |         |   |
|------------|---------|---|
| SUPERVISOR | MERLINO | HAL PAYNE, COMMISSIONER OF ADMINISTRATIVE & FISCAL SERVICES           |
|            |         | JOAN SADY, CLERK OF THE BOARD   |
|            |         | SUPERVISOR BELDEN   |
|            |         | SUPERVISOR STRAINER   |
|            |         | FRED AUSTIN, BUILDING PROJECTS COORDINATOR                            |
|            |         | THOMAS LABELLE, EXECUTIVE DIRECTOR, NYS ASSOCIATION OF FIRE CHIEFS    |
|            |         | ALICE GREYER, DIRECTOR OF TOURISM, CITY OF GLENS FALLS                |
|            |         | LUISA CRAIG-SHERMAN, LAKE GEORGE REGIONAL CHAMBER OF COMMERCE (LGRCC) |
|            |         | KEVIN MARKHAM, GLENS FALLS RAMADA INN                                 |
|            |         | MICHAEL SPILMAN, LAKE GEORGE HOLIDAY INN TURF                         |
|            |         | ALYSON MARTIN, <i>THE POST STAR</i>                                   |
|            |         | DEBRA L. SCHREIBER, SR. LEGISLATIVE OFFICE SPECIALIST                 |

---

---

Mr. Kenny called the meeting of the Occupancy Tax Coordination Committee to order at 10:32 a.m.

Motion was made by Mr. Haskell, seconded by Mr. Champagne and carried unanimously to approve the minutes of the previous Committee meeting, subject to correction by the Clerk of the Board.

Kate Johnson, Tourism Director, distributed copies of the Occupancy Tax Coordination agenda to members of the Committee; *a copy of same is on file with the minutes.*

Privilege of the floor was extended to Thomas LaBelle, Executive Director of the New York State (NYS) Association of Fire Chiefs, who apprised that they would BE hosting their 2008 convention in Lake George on June 12 through June 14, 2008. He indicated they had coordinated their efforts with those of the Americade Tour Exposition as a way to reduce costs for the two organizations. At the present time, he reported that approximately 85% to 87% of the exhibitor sites had been reserved and he expected the remaining vacant space to be occupied within the next couple of weeks. He further indicated this year they were not accepting any pre-registrations and there was a \$5 entrance fee to view exhibits. Mr. LaBelle apprised that due to a scheduling conflict, the Fort William Henry facility was unavailable, and, therefore, they would be hosting their 2008 educational programs at the Sagamore Resort. He noted their live, hands-on fire training program would be held at the Exit 19 Howard Johnsons with approximately 300 students attending.

Mr. LaBelle thanked the Tourism Department for sending informational packets to the many attendees. Ms. Johnson commented the floor plan that depicted the various exhibitor spaces on the Beach Road was recently made available and asked Mr. LaBelle to advise her Department of their assigned location as soon as possible.

Mr. Tessier recommended scheduling a meeting to discuss the parking arrangements for the Fire Chiefs Convention. He suggested designating the Gaslight Village property and/or the Lake George Elementary School as parking sites with the Trolley shuttling people around. Mr. LaBelle added that many of the designated parking areas that were utilized in 2007 would not be available in 2008 and, therefore, alternative options must be considered. He indicated that two electrical signs had been donated that would assist people in getting around to view the different exhibits.

In response to an inquiry by Mr. Champagne, Mr. LaBelle replied there was always concern whenever there were any changes from one year to the next. If the NYS Association of Fire Chiefs returned in 2009, he said, the ability to share services with the Tour Expo made it extremely helpful and cost effective for both sponsors. The advantage to utilizing the Department of Environmental Conservation (DEC)/Gaslight Village lot was that it provided the ability for multiple organizations to share in the synergies, while the major disadvantage appeared to be the walking distance, apprised Mr. LaBelle.

Mr. LaBelle recommended a meeting be scheduled subsequent to the convention to discuss their 2009 plans.

Luisa Craig-Sherman, Executive Director of the Lake George Regional Chamber of Commerce (LGRCC), asked Mr. LaBelle whether he had estimated the number of registrations he had received to date and he answered that last week there was approximately 2,100. He said they discovered three-quarters of their attendees registrations were being paid by municipalities and the pricing differentials did not seem to work. Over the next three to four weeks, he said, he anticipated the registrations to increase significantly especially when he considered the educational speakers they booked and the unlimited free one day passes they donated to the exhibitors. Although it was never finalized, Mr. LaBelle noted that he had free exhibitor passes for the local fire departments.

In previous years, Mrs. Sherman indicated there was some confusion about whose was responsible for paying Occupancy Tax and Mr. LaBelle replied that it was his understanding that although the Occupancy Tax was a NYS exemption, municipalities and not-for-profit organizations were still required to pay the tax. Due to the issues that arose in years past, Mrs. Sherman asked Mr. LaBelle to inform the property owners and attendees of their responsibility to pay the Occupancy Tax. He stated the Fire Chiefs' Association would distribute a letter that addressed the Occupancy Tax concerns if they received assistance in compiling the letter.

Unlike 2007, Mr. LaBelle apprised the Committee that the Association of Fire Chief's provided a list of area hotels/motels for people wishing to make overnight accommodations. This year, he said, they were utilizing the Wingate, Fort William Henry, Best Western and Sagamore Resort for their own purposes.

If any of the local fire departments would like to receive a free day pass, Mr. LaBelle suggested they contact one of their vendors or alternatively, each Supervisor could contact him directly and he would forward them the number of passes they requested. Hal Payne, Commissioner of Administrative & Fiscal Services, recommended that Ms. Johnson forward an email to all Supervisors requesting they survey their fire departments to determine the number of passes needed.

In response to an inquiry by Mr. Payne, Mr. LaBelle replied this year would be the last year they would perform live fire training at the Exit 19 Howard Johnsons location. He said if the County Fire Training facility were not available in 2009, there were alternative training programs that could be conducted. As a back-up plan, he said, they could bring in a mobile propane unit, or switch to some other form of training methodology, such as the bail out ropes.

Mr. Tessier asked whether the Association had contracted for trash removal services and Mr. LaBelle responded affirmatively. According to the contract, he said, they were responsible for all trash removal outside of the DEC lot; however, from their standpoint, he stated, they were not utilizing that property for any particular purpose. In addition, Mr. LaBelle said he anticipated the Nextel Nascar trailer would still be coming to town as he had not be advised otherwise.

A brief discussion ensued.

Continuing on with the first Pending Item under Item 3 of the agenda, Mr. Kenny explained that according to their Local Law, an Occupancy Tax reserve must be established for the purpose of collecting fines and penalties that were owed to the County. Francis X. O'Keefe, County Treasurer, informed the Committee that all occupancy tax funds (including fines) were deposited into a specific account entitled "Occupancy Tax".

Referring to the second Pending Item, Mr. Kenny asked Mr. Haskell and/or Mr. Champagne, who served on the Public Works Committee, to explain this referral. Mr. Haskell reported that each year the County expended funds from the General Fund to the snowmobile clubs for trail maintenance or tourism-related expenses. Since many of the snowmobile enthusiasts come from outside the County, he said, the Public Works Committee suggested the monies be expended from the Occupancy Tax fund rather than the Parks, Recreation and Railroad budget.

Mr. Kenny commented the State also contributed funds to the snowmobile clubs. Mr. Haskell added that a percentage of the State registration funds were given to the snowmobile clubs; however, he noted, they (NYS) recently took \$1 million of those funds, thereby decreasing the snowmobile club revenues. Last year when the State proposed increasing the snowmobile registration fees, he said the private clubs did not oppose their request so long as they received a percentage of the monies collected. Mr. Haskell said it was his understanding the snowmobile clubs would seek alternative ways to generate revenue and not request additional funds from the County in 2008.

In the past when Warren County maintained the snowmobile trails, Mr. Haskell indicated approximately \$1 million had been appropriated from the DPW budget and now the County only contributed approximately \$100,000 (\$10,000 to the Town of Hague; \$30,000 each to the Towns of Horicon, Lake Luzerne and Thurman).

Mr. Tessier commented he fully supported the County contributing funds to the snowmobile clubs; however, he said, he did not believe the monies should be taken from Occupancy Tax. He stated the Occupancy Tax fund was specifically established to promote Warren County tourism and he recommended that any contribution by the County be taken from the General Fund or sales tax revenues. Mr. Kenny concurred with Mr. Tessier in that the Occupancy Tax funds did not support fishermen, hunters or bowlers; however, he indicated the snowmobilers visiting Warren County significantly impacted their winter revenues.

A brief discussion ensued after which Mr. Champagne explained that he was unfamiliar with the amount of revenue the snowmobile clubs generated by heads in beds, nor was he concerned where the funds were obtained, just that Warren County needed to continue to assist them in whatever way they could. Mr. Haskell said he recalled the number of phone calls his Office received when the insurance companies decided not to contribute to the snowmobile clubs and with the assistance of Senator Little, the trails were closed less than two weeks.

Mr. Tessier commented the County should be concerned with the 1,400 acres purchased by the State that shut down the snowmobile trails from Lake Luzerne north. Once that parcel became a conservation easement and the State declared it forest preserve, he said the County would have a bigger dilemma. Mr. Haskell indicated that any snowmobile trail that was located on land that became State-owned would be eliminated from the map.

In response to a query by Mr. Kenny, the general consensus of the Committee was to discuss this matter at a Budget Committee meeting. Mr. Haskell noted the snowmobile clubs were funded by the Department of Public Works (DPW) budget and each year their budget was continually reduced and these funds were part of their budget. Mr. Tessier commented the funds for the snowmobile clubs should be appropriated in the Tourism budget. Mr. Payne suggested the Committee consider requesting the Adirondack Balloon Festival, Inc. to submit an application for Occupancy Tax funds rather than appropriate funds in the DPW Budget.

A brief discussion ensued.

Continuing on with Item 4 of the agenda, Mr. Kenny stated the County required vendors to submit certificates of insurance, event booklets and the necessary vouchers to substantiate the expenses under the terms of their Occupancy Tax agreement. In addition, Ms. Johnson reiterated there was a mandatory

requirement that the County logo be included on promotional items that were submitted for payment.

With respect to Item 5, Mr. O'Keefe briefly reviewed an addendum to the Warren County Occupancy Tax Revenues and Expenditures Report for the year ending December 21, 2007. He apprised this report reflected the total 2007 revenues collected through March 31, 2008, an increase of \$444,294. Mr. O'Keefe stated the County would seek penalties from the three individual owners that still had outstanding balances totaling approximately \$89,961. In response to a query by Mr. Kenny, Mr. O'Keefe indicated the County Attorney had entered into agreements with each owner.

Since 2004, Mr. O'Keefe reported the County collected approximately \$11,902,080 in Occupancy Tax funds.

Mr. O'Keefe explained that page 3 depicted a three year comparison of Occupancy Tax revenue collected by town. He stated the total 2007 revenue of \$3,388,067.44 did not include the \$89,961 that was still owed. In answer to an inquiry by Ms. Johnson, he apprised the 2007 cut-off date for the collection of occupancy tax revenues was March 15, 2008. Mr. O'Keefe said the last page of the report reflected the monies expended by year: 2004, \$544,395.72; 2005, \$2,531,951.56; 2006, \$3,235,355.87; and in 2007, \$3,512,802.71.

In response to previous comments made at the Tourism Committee meeting, Mr. O'Keefe apprised the Tourism Department was fully funded by the Occupancy Tax revenue, eliminating a \$2 million expense to the County taxpayer. In 2007 the Tourism Department exceeded their budget by \$250,000; therefore, he said, he would recommend transferring those funds from the Occupancy Tax Budget back into the General Fund. Mr. Kenny commented that was the intent of the Local Law when it was drafted.

Motion was made by Mr. Haskell and seconded by Mr. Champagne authorizing the request to transfer \$250,000 from the Occupancy Tax Budget to General Fund Unappropriated Surplus.

Ms. Johnson suggested the Committee review her Budget to determine the best source of funding without compromising the promotions that brought significant

revenue to the County. Mr. O'Keefe stated there were sufficient funds in the Occupancy Tax Reserve to accomplish the transfer and recommended it be done as soon as possible.

After discussion, Mr. Kenny called the question and the motion was carried unanimously approving the request as submitted; and to refer same to the Finance Committee for consideration. *A copy of the resolution request form is on file with the minutes.*

Due to the current state of the economy, Mr. O'Keefe encouraged the Committee to use extreme caution when distributing monies for 2008.

Mr. Kenny indicated the Tourism Budget Performance Report was distributed during their Committee meeting.

A brief discussion ensued.

Mr. Haskell commented that in 2004, he expressed his support in establishing an Occupancy Tax fund; however, he said, it did not appear fair that the hotels/motels should be burdened with the entire responsibility. He suggested the Committee consider requiring that restaurants and gift shops contribute to the Occupancy Tax, as well. When this Committee was established, Mr. Kenny noted it was illegal to assess a tourist tax. Ms. Johnson added that Supervisor Merlino from the Town of Lake Luzerne, proposed utilizing a percentage of the proposed one percent increase in sales tax. Mr. Kenny replied that proposal was defeated.

There being no further business to come before the Occupancy Tax Coordination Committee, on motion made by Mr. Haskell and seconded by Mr. Champagne, Mr. Kenny adjourned the meeting at 11:22 a.m.

Respectfully submitted,

Debra L. Schreiber, Sr. Legislative Office Specialist